

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

0 2 — 0 1 5

2. STATE:

Vermont

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

July 1, 2002

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

SSA Sec. 1917(e)

7. FEDERAL BUDGET IMPACT:

a. FFY 2002 \$ ( 25,000)+/-

b. FFY 2003 \$ (100,000)+/-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Att. 2.6-A pages 6a and 6b

Supp. 9a to Att. 2.6-A pages 3-4

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

Att. 2.6-A pages 6a and 6b (96-2)

Supp. 9a to Att. 2.6-A pages 3-4 (95-6)

10. SUBJECT OF AMENDMENT:

Transfer of assets for Medicaid coverage of long-term care: penalty date, penalty  
periods, transfers for less than fair market value

11. GOVERNOR'S REVIEW (Check One):

- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

*Secretary of Administration*  
☒ OTHER, AS SPECIFIED: *for Governor*  
*Kathleen C. Hoyt*

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

M. Jane Kitchel

14. TITLE:

Secretary, Agency of Human Services

15. DATE SUBMITTED:

9/30/02

16. RETURN TO:

Roxanne Doty  
VT Dept. of PATH  
103 South Main Street  
Waterbury, VT 05671-1201

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

September 30, 2002

18. DATE APPROVED:

December 19, 2002

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

July 1, 2002

21. TYPED NAME:

Ronald Preston

23. REMARKS:

20. SIGNATURE OF REGIONAL OFFICIAL:

*Margaret Deane for R. Preston*

22. TITLE:

Associate Regional Administrator, DMCH

*Vermont (02-015)*  
*approved: 12/18/02*  
*effective: 07/01/02*

State: Vermont

Citation

Condition or Requirement

- X Supplement 2 to ATTACHMENT 2.6-A specifies the resource levels for mandatory and optional categorically needy poverty level related groups, and for medically needy groups.
- n/a Supplement 4 to ATTACHMENT 2.6-A specifies the methods for determining income eligibility used by States that have more restrictive methods than SSI, permitted under §1902(f) of the Act.
- n/a Supplement 5 to ATTACHMENT 2.6-A specifies the methods for determining resource eligibility used by States that have more restrictive methods than SSI, permitted under §1902(f) of the Act.
- X Supplement 6 to ATTACHMENT 2.6-A specifies the payment standards for optional state supplementary payments.
- n/a Supplement 7 to ATTACHMENT 2.6-A specifies the income levels for categorically needy aged, blind, and disabled persons who are covered under requirements more restrictive than SSI.
- X Supplement 8a to ATTACHMENT 2.6-A specifies the methods for determining income eligibility used by States that are more liberal than the methods of the cash assistance programs, permitted under §1902(r)(2) of the Act.
- X Supplement 8b to ATTACHMENT 2.6-A specifies the methods for determining resource eligibility used by States that are more liberal than the methods of the cash assistance programs, permitted under §1902(r)(2) of the Act.

State: Vermont

Citation

Condition or Requirement

- X Supplement 9a to ATTACHMENT 2.6-A specifies transfer of assets.
- X Supplement 10 to ATTACHMENT 2.6-A specifies undue hardship trust provisions.
- X Supplement 11 to ATTACHMENT 2.6-A specifies COBRA continuation.
- X Supplement 12 to ATTACHMENT 2.6-A specifies PNA variations and §1931 standards.
- X Supplement 13 to ATTACHMENT 2.6-A specifies §1924 treatment of income and resources.
- n/a Supplement 14 to ATTACHMENT 2.6-A specifies income levels used by States for determining eligibility of Tuberculosis-infected individuals whose eligibility is determined under §1902(z)(1) of the Act.

State: Vermont

### TRANSFER OF ASSETS

6. Penalty period for amounts of transfer less than cost of nursing facility care-

- a. Where the amount of the transfer is less than the monthly cost of nursing facility care, the agency:

       does not impose a penalty;

  X   imposes a penalty for less than a full month, based on the proportion of the agency's private nursing facility rate that was transferred.

- b. Where an individual makes a series of transfers, each less than the private nursing facility rate for a month, the agency:

       does not impose a penalty;

  X   imposes a series of penalties, each for less than a full month.

7. Transfers made so that penalty periods would overlap-

The agency:

       totals the value of all assets transferred to produce a single penalty period;

  X   calculates the individual penalty periods and imposes them sequentially.

8. Transfers made so that penalty periods would not overlap-

The agency:

  X   assigns each transfer its own penalty period;

       uses the method outlined below:

State: Vermont

### TRANSFER OF ASSETS

9. Penalty periods- transfer by a spouse that results in a penalty period for the individual-

- a. The agency apportions any existing penalty period between the spouse using the method outlined below, provided the spouse is eligible for Medicaid. A penalty can be assessed against the spouse, and some portion of the penalty against the individual remains.
  - If married couple admitted to Institution at same time, the uncompensated value of the transferred assets are divided by 2 before determining penalty period for each person.
  - If married couple not admitted to Institution at same time, the uncompensated value for which no penalty period has yet been served, is divided by 2 before determining penalty period for each person.
- b. If one spouse is no longer subject to a penalty, the remaining penalty period must be served by the remaining spouse.

10. Treatment of income as an asset-

When income has been transferred as a lump sum, the agency will calculate the penalty period on the lump sum value.

X The agency will impose partial month penalty periods.

When a stream of income or the right to a stream of income has been transferred, the agency will impose a penalty period for each income payment.

       For transfers of individual income payments, the agency will impose partial month penalty periods.

X For transfers of the right to an income stream, the agency will use the actuarial value of all payments transferred.

       The agency uses an alternate method to calculate penalty periods, as described below: